



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP12/35

Friday, 15 June 2012

Flinders Mines Limited – Panel Receives Application

The Panel has received an application from Ms Geraldine Carter in relation to the affairs of Flinders Mines Limited.

Details of the application, as submitted by the applicant, are below.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings. The Panel makes no comment on the merits of the application.

Details

On 30 March 2012, Flinders shareholders voted in favour of a scheme of arrangement under which Magnitogorsk Iron and Steel Works OJSC or its nominee would acquire all of the issued ordinary shares of Flinders not already held by Magnitogorsk for A\$0.30 per share.

On 3 April 2012, Flinders was advised by Magnitogorsk that a minority shareholder of Magnitogorsk had sought and received injunctive relief in the Arbitration Court of Chelyabinsk, Russian Federation, under which Magnitogorsk is restrained from implementing its directors' resolutions with respect to the acquisition of Flinders.

On 8 June 2012, Flinders announced that appeals by Flinders and Magnitogorsk against the injunction were dismissed and that the next court hearing regarding the legal action would be on 2 July 2012. The scheme implementation agreement "Quit Date" is 30 June 2012 or such later date as Flinders and Magnitogorsk agree in writing.

Ms Carter submits that it has not been established that the injunction has a proper legal basis and the circumstances threaten the completion of the scheme. Accordingly the injunction gives rise to unacceptable circumstances and the acquisition of shares in Flinders is not taking place in an efficient market.

Ms Carter seeks interim orders including an order to extend the Quit Date to 14 July 2012 or such other time as the Panel deems appropriate.

Ms Carter seeks final orders including that Flinders and Magnitogorsk be required as soon as practicable to obtain a second court hearing and complete the acquisition.

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